

EXHIBIT 1

Ranch Operation Statement

Table 1 Vacant

Table 1. Estimate Revenue and Expenses for Sweetwater Ranch without owned Livestock

Revenue flow Private lands				Total	Sheep	Value/		Total
Source	Acres	yield	Units	Units	Mo.	AUM	Unit	Value
Hay*	240	3.5	Ton	840			125 \$	105,000
After Math	240	1.5	AUM	360	1,800	360	15 \$	27,000
Pasture	700	0.3	AUM	210	1,050	210	15 \$	3,150
Lambing Sheds			Annual					\$ 10,000
Total Revenue**								\$ 145,150

Estimated Essential Expenses

Property Tax	\$ 2,500
Labor	\$ 8,600
Vehicle payments***	\$ 2,628
Backhoe payments****	\$ 2,526
Repairs and Maintenance	\$ 1,500
Fertilizer	\$ 5,000
Pesticides	\$ 2,500
Fuel, Oil & Lube*****	\$ 10,000
Auto Insurance	\$ 1,200
Legal and Accounting*****	\$ 3,400
Miscellaneous	\$ 4,000
Purchase of Ewes and Lambs	\$ 101,296
Total Expenses	\$ 145,150

Estimated Net Farm or Disposable Income

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* Assumes hay is sold stand with no harvesting costs.

** Assumes BLM AUM potential income would not cover required grazing fees.

*** \$438 per month payment for 6 months.

**** \$421 per month for 6 months based on \$19,600 principal @ 8% APR for 56 months.

***** includes \$200 per month vehicle gas and \$75 per month propane.

***** Legal fees subject to court approval.

Definitions used in analysis

After Math is the re-growth of alfalfa used as pasture after 2nd hay cutting.

AUM is the forage or feed required for one cow or five sheep for one month.

Lambing Sheds are structures used for confinement lambing as opposed to range lambing.

Table 2 year 2

Table 2. Estimated Revenue and Expenses for Sweetwater Ranch with 500 Ewes*

Livestock Inventory and Revenue			Death	Death	Number			
Type	Number	Units	Loss	Number	Sold	Price**		Value
Ewes	500	Head	12%	60	40	\$ 125.00	\$	5,000
Rams	12	Head	20%	2	2	\$ 175.00	\$	350
Lambs	600	Head	17%	100	500	\$ 190.00	\$	95,000
Horses	2	Head			0			
Dogs	3	Head			0			
Wool		Lbs			6,000	\$ 0.55	\$	3,300
Surplus hay Sold***			772	170/ton			\$	131,240
Lambing Sheds			Annual				\$	10,000
Total Revenue							\$	244,890

Estimated Livestock Replacement and Operating Expenses

Replacement Ewes	100 Head	\$200/hd	\$	20,000
Replacement Rams	4 Head	\$250/hd	\$	1,000
Estimated Operating Expenses				
Property Tax			\$	2,500
Labor			\$	12,000
Vehicle payments****			\$	5,256
Backhoe payments*****			\$	5,052
Sprinkler Pivots Lease			\$	16,000
Rental Equipment			\$	16,000
Repairs and Maintenance			\$	2,000
Fertilizer			\$	5,000
Pesticides			\$	2,500
Supplies			\$	5,000
Fuel, Oil & Lube*****			\$	15,000
Transportation			\$	2,500
Marketing			\$	1,800
Shearing			\$	2,250
Vet/Medicine			\$	250
Salt/Minerals			\$	75
BLM Grazing Fees			\$	1,350
Leased Pasture			\$	2,000
Trustee Fee			\$	2,000
Legal and Accounting*****			\$	6,800
Auto Insurance			\$	1,200
Miscellaneous			\$	4,000
Purchase of Ewes and Lambs			\$	113,357
Total Livestock Replacement and Operating Expenses			\$	244,890

Estimated Net Farm or Disposable Income

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Table 2 year 2

- * Year 2 assumes 500 Ewes and 12 Rams purchased with year 1 disposable income.
- ** Price of lambs increase as 5 pounds heavier.
- *** Assumes hay is harvested with rental or exchange equipment.
- **** \$438 per month payment for 6 months.
- ***** \$421 per month for 6 months based on \$19.600 principal @ 8% APR for 56 months
- ***** includes \$200 per month vehicle gas and \$75 per month propane.
- ***** Legal fees subject to court approval.

Definitions used in analysis

After Math is the re-growth of alfalfa used as pasture after 2nd hay cutting.

AUM is the forage or feed required for one cow or five sheep for one month.

Lambing Sheds are structures used for confinement lambing as opposed to range lambing

Table 3 year 3

Table 3. Estimated Revenue and Expenses for Sweetwater Ranch with 1,000 Ewes*

Livestock Production and Revenue		Death	Death	Number		
Type	Number	Loss	Number	Sold	Price**	Value
Ewes	1,000	12%	120	80	\$ 125.00	\$ 10,000
Rams	24	20%	5	4	\$ 175.00	\$ 700
Lambs	1,200	17%	200	1,000	\$ 200.00	\$ 200,000
Horses	4					
Dogs	4					
Wool lbs				12,000	\$ 0.50	\$ 6,000
Totals livestock revenue						\$ 216,700
Surplus hay Sold***		695	170/ton			\$ 118,150
Lambing Sheds		Annual				\$ 10,000
Total Revenue						\$ 344,850
Estimated Expenses						
Replacement Ewes	200	Heac	\$200/hd			\$ 40,000
Replacement Rams	9	Head	\$250/hd			\$ 2,250
Estimated Operating Expenses						
Property Tax						\$ 2,500
Labor						\$ 22,000
Vehicle payments****						\$ 5,256
Backhoe payments*****						\$ 5,052
Payment to NSB						\$ 164,752
Sprinkler Pivots Lease						\$ 16,000
Rental Equipment						\$ 18,000
Repairs and Maintenance						\$ 4,000
Fertilizer						\$ 7,000
Pesticides						\$ 2,500
Supplies						\$ 5,000
Fuel, Oil & Lube*****						\$ 18,000
Transportation						\$ 2,500
Marketing						\$ 1,800
Shearing						\$ 2,250
Vet/Medicine						\$ 500
Salt/Minerals						\$ 150
BLM Grazing Fees						\$ 2,700
Leased Pasture						\$ 4,000
Camp Supplies						\$ 2,000
Dog Food						\$ 240
Trustee Fee						\$ 2,000
Legal and Accounting						\$ 7,200
Auto Insurance						\$ 1,200
Miscellaneous						\$ 6,000
Total Livestock Replacement and Operating Expenses						\$ 344,850

Estimated Net Farm or Disposable Income

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- * Year 3 assumes 500 Ewes and 12 Rams purchased with year 2 disposable income
- ** Price of lambs increase as 5 pounds heavier.
- *** Assumes hay is harvested with rental or exchange equipment.
- **** \$438 per month payment for 6 months.
- ***** \$421 per month for 6 months based on \$19,600 principal @ 8% APR for 56 months.
- ***** includes \$200 per month vehicle gas and \$75 per month propane.
- ***** Legal fees subject to court approval.

Definitions used in analyses

After Math is the re-growth of alfalfa used as pasture after 2nd hay cutting.

AUM is the forage or feed required for one cow or five sheep for one month.

Lambing Sheds are structures used for confinement lambing as opposed to range lamb

Table 4 years 4 and 5

Table 4. Summary of Disposable Income with Adjustments for years 4 and 5*

	Net Farm or Disposable Income				
	Year 1	Year 2	Year 3	Year 4	Year 5
Base \$ Amount	\$ 101,296	\$ 113,357	\$ 164,752	\$ 164,752	\$ 164,752
Potential Increase					
Hay .25 ton per acre				\$ 6,000	
Hay .5 ton per acre					\$ 12,000
Ewes 50 to 100				\$ 5,000	\$ 10,000
Ewes 100 to 200					
Available Income	\$ 101,296	\$ 113,357	\$ 164,752	\$ 175,752	\$ 186,752
Purchase of Ewes and Ram	\$ 101,296	\$ 113,357			
Payment to NSB			\$ 164,752	\$ 164,752	\$ 164,752
Disposable Income	-0-	-0-	-0-	\$ 11,000	\$ 22,000

* Assumptions for years 4 and 5 increased Disposable Income

1. Hay yield will increase by .25 tons per acre in year 4 and .5 tons per acre in year 5 as a result of increased fertilizer used in previous years and more mature plants alfalfa.

2. In year 4 there can be increased carrying capacity for ewes with additional brush clearing and establishing irrigated pasture.

3. The ratio between the price of commodities sold and operating expenses will remain constant.

4. Adequate funds will be available to purchase the additional ewes and rams needed in years 4 and 5. and an additional 40 to 80 acres of pasture improvement.

5. The benefits of increasing the numbers of ewes will the biggest benefit in years 6 and beyond in recognized ranch income.

6. Assumes owner/operator or manager is an experience livestock producer with average or above management capabilities.